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Message Text

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ACTION ARA-14

INFO OCT-01 ISO-00 IO-13 EB-08 AID-05 IGA-02 TRSE-00
OMB-01 DHA-05 XMB-02 CIAE-00 INR-07 NSAE-00 SS-15
SP-02 PM-05 L-03 H-01 COME-00 OPIC-03 FEA-01
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O 231950Z AUG 77
FM AMEMBASSY GEORGETOWN
TO SECSTATE WASHDC IMMEDIATE 5173
INFO USMISSION USUN IMMEDIATE

C O N F I D E N T I A L SECTION 1 OF 2 GEORGETOWN 1995

E.O. 11652: GDS
TAGS: OVIP (YOUNG, ANDREW)
SUBJECT: YOUNG VISIT FOLLOW-UP

REF: STATE 198352

1. THE EXPECTATIONS AROUSED BY AMBASSADOR YOUNG'S VISIT BOTH AMONG GUYANESE OFFICIALS AND THE PUBLIC APPEAR TO BE FAIRLY REALISTIC. THIS IS BECAUSE THE AMBASSADOR STATED PUBLICLY AS WELL AS PRIVATELY THAT ANY LARGE TRANSFER OF CAPITAL WOULD HAVE TO COME FROM PRIVATE SOURCES, MULTI-LATERAL FINANCING INSTITUTIONS OR PERHAPS A REGIONAL CONSORTIUM. ALTHOUGH THERE WAS SOME WILD SPECULATION IN GUYANESE SOCIETY ABOUT LARGE AMOUNTS OF MONEY THAT MIGHT FLOW FROM THE YOUNG VISIT, THE GOVERNMENT PRESS TOOK CARE TO PRESENT A REALISTIC PICTURE. FOR EXAMPLE MOHAMED HAMALUDIN'S ARTICLE ON AUGUST 14 POINTED OUT THAT THE ANNOUNCEMENTS OF NEW AID LOANS WERE COINCIDENTAL TO THE TRIP. NEVERTHELESS, THE TRIP COUPLED WITH THE NOTICABLE IMPROVEMENT IN US-GUYANA RELATIONS HAVE CREATED A PUBLIC EXPECTATION THAT US ASSISTANCE WILL EXPAND IN THE NEAR FUTURE. SPECIFIC COMMITMENTS IN BOTH THE POLITICAL
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AND ECONOMIC SPHERES ARE DISCUSSED BELOW.

2. THE MAIN POLITICAL COMMITMENTS, BOTH EXPLICIT AND IMPLICIT, WERE:

A. THE CARTER ADMINISTRATION WOULD DEVELOP A POLICY TOWARD THE CARIBBEAN REGION, INCLUDING GUYANA, AND THIS

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POLICY WOULD REFLECT THE GEOGRAPHIC, CULTURAL AND POLITICAL AFFINITY OF THE UNITED STATES TO THE AREA.

B. THE USG IS READY TO THAVE NORMAL RELATIONS WITH A SOCIALIST, BUT NON-ALIGNED GUYANA.

C. THE CARTER ADMINISTRATION IS COMMITTED TO A DIALOGUE WITH GUYANA ON A BASIS OF MUTUAL RESPECT. FONMIN WILLS HAS EXPRESSED TO THE CHARGE SEVERAL TIMES HIS PLEASURE OVER THE FACT THAT AMB. YOUNG AND THE MEMBERS OF HIS GROUP DID NOT EXUDE THE ARROGANCE THAT HE SENSED DURING HIS TALKS WITH HIGH RANKING US OFFICIALS IN THE PAST. THAT THEY CAME TO GUYANA TO SEEK GUYANESE VIEWS AND TO UNDERSTAND GUYANA WAS, ACCORDING TO WILLS, A PLEASANT SURPRISE. WILLS BELIEVES THAT AMB. YOUNG MADE A COMMITMENT TO CONTINUE DIALOGUE OF THIS QUALITY.

D. THE USG RECOGNIZES THAT ECONOMIC DEVELOPMENT IS AN ESSENTIAL PART OF HUMAN RIGHTS.

E. THAT THE US WILL SEEK TO MAKE CLEAR ITS PREFERENCE FOR DEMOCRATIC COUNTRIES WHICH HAVE GOOD HUMAN RIGHTS RECORDS. THE GUYANESE HOPE THAT THE EXPRESSION OF PREFERENCE OR "REWARD" WOULD TRANSLATE INTO LARGER ECONO-MIC ASSISTANCE FOR THOSE COUNTRIES WITH GOOD RECORDS.

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3. EXPLICIT COMMITMENTS IN DEVELOPMENTAL AND ECONOMIC MATTERS WERE:

A. GENERAL STATEMENTS BY AMB. YOUNG THAT THE US WOULD SEEK TO INCREASE US ASSISTANCE TO GUYANA OVER THE NEXT YEAR. AID ASSISTANT ADMINISTRATOR VALDEZ MADE THIS MORE SPECIFIC BY INDICATING THAT THE PROGRAM LEVEL OF NEW PROJECTS WILL BE INCREASED FROM US$1.1 TO DATE IN FY 77 TO APPROXIMATELY US$12.5 IN LOAN AND GRANT FUNDS IN FY 78 TO BE DISBURSED OVER THREE YEARS (RURAL ROADS, CONSTRUCTION AND HEAVY EQUIPMENT MAINTENANCE, AGRICULTURAL CREDIT, LOW COST RURAL HEALTH DELIVERY SYSTEM, AND AGRICULTURAL RESEARCH.)

B. AN EXPLICIT COMMITMENT THAT EFFORTS WOULD BE MADE TO OBTAIN APPROVAL IN EARLY 1978 OF A US$2 MILLION PL 480 TITLE I PROGRAM.

C. AMBASSADOR YOUNG WOULD EXPLORE WAYS OF HELPING GUYANA GET LOANS FROM THE IADB, THE WORLD BANK AND IMF. IN ADDITION, THE US WOULD EXPLORE WAYS OF ENCOURAGING PRIVATE INVESTORS TO INVEST IN GUYANA.

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D. THE UNITED STATES WOULD SEEK TO WORK WITH THE UK, CANADA, VENEZUELA, MEXICO AND CARIBBEAN COUNTRIES TO FORM A CONSORTIUM TO ASSIST COUNTRIES OF THE AREA DEVELOP.

4. IN ADDITION TO THE ABOVE MENTIONED COMMITMENTS, SOME EXPECTATIONS WERE RAISED. THESE CONCERN:
--THE POSSIBILITY OF A SECOND RICE MODERNIZATION LOAN, WHICH COULD INCLUDE FUNDS TO BE APPLIED TO THE RECONSTRUCTION OF STORAGE FACILITIES DESTROYED IN THE AUGUST 9 FIRE.

--ASSISTANCE IN SEAWALL CONSTRUCTION TO RECLAIM AND
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MAKE ARABLE LAND TO ENHANCE THE INCOME AND PRODUCTIVITY OF SMALL FARMERS. FLOODS IN COASTAL AREAS PRESENTLY NOT ADEQUATELY PROTECTED BY SEAWALLS REACH TEN MILES INLAND AND OFTEN WIPE OUT RICE AND OTHER FOOD-CROPS GROWN BY SMALL FARMERS.

5. POTENTIALLY ACTIONABLE ASSISTANCE ITEMS:
A. DURING DISCUSSIONS BETWEEN VALDEZ AND DESMOND HOYTE, MINISTER OF ECONOMIC DEVELOPMENT, THE LATTER INQUIRED ABOUT POSSIBLE ASSISTANCE FOR THE GOG'S EFFORTS TO IMPROVE LIVING CONDITIONS FOR THE HITHERTO LARGELY NEGLECTED AMERINDIANS OF GUYANA. HOYTE AGREED TO COMMIT TO PAPER HIS IDEAS ON THE FORM THAT SUCH ASSISTANCE SHOULD TAKE.

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B. HOYTE ALSO SOUGHT US ASSISTANCE IN ESTABLISHING OF A VOCATIONAL TRAINING INSTITUTE, FOCUSSING ON SUCH URGENTLY NEEDED SKILLS AS CARPENTERING, PLUMBING, AND THE TRAINING OF ELECTRICIANS.

C. MINISTER OF ENERGY AND NATURAL RESOURCES HUBERT JACK HAS ASKED THE CHARGE WHETHER THE USG COULD CONDUCT OR PROVIDE HELP IN GETTING PRIVATE FIRMS TO DO A SEISMO-GRAPHIC SURVEY OF GUYANA'S COSTAL WATERS TO DETERMINE ITS OIL POTENTIAL. HE DOES NOT BELIEVE THAT PREVIOUS EXPLORIATIONS BY OIL COMPANIES WERE THOROUGH. HE WONDERED ALSO WHETHER THE US WOULD PROVIDE OPIC INSURANCE TO ENCOURAGE EXPLORATION AND INVESTMENT BY PRIVATE FIRMS.

D. JACK ALSO REQUESTED ASSISTANCE IN DEVELOPING GUYANA'S SMALL DEPOSITS OF NATURAL GAS. GUYANA HAS A NUMBER OF THESE, BUT LACKS CHEAP SMALL-SCALE TECHNOLOGY TO EXPLOIT THEM. THIS WOULD REQUIRE TECHNICAL ASSISTANCE.

6. DIPLOMATIC FOLLOW-UP: THE EMBASSY BELIEVES THAT GUYANA WOULD BE DRAWN TOWARD THE US SIGNIFICANTLY BY CONTINUING QUIET ASSURANCES THAT THE US DOES NOT FAVOR
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HER NEIGHBORS, PARTICULARLY VENEZUELA AND SURINAM WHICH HAVE CLAIMS ON GUYANA'S TERRITORY, OVER GUYANA. THIS WOULD INCLUDE PRIVATE COMMITMENTS TO DIPLOMATICALLY OPPOSE ANY EFFORT TO CHANGE PRESENT BORDERS BY FORCE. A US DECISION THAT GUYANA AS WELL AS SURINAM WOULD BE ELIGIBLE TO PURCHASE SURPLUS MILITARY EQUIPMENT WOULD HAVE MAJOR SYMBOLIC IMPACT AND SIGNIFICANTLY REDUCE GUYANA FEARS. THE GUYANESE WOULD NOT, ACCORDING TO FONMIN WILLS, WANT TO OR BE ABLE TO PURCHASE MUCH, IF ANY, EQUIPMENT. A CONTINUATION OF THE DIALOGUE AND ATTENTION FROM THE USG THAT HAS BEEN EVIDENT DURING RECENT MONTHS WILL HAVE PROGRESSIVELY GREATER FAVORABLE INFLUENCE ON GOG POLICIES AND ATTITUDES. FINALLY, NOTICABLE EFFORT BY THE US TO HELP OPEN THE WAY FOR GUYANA'S ADMISSION TO THE OAS WOULD BE VERY FAVORABLE RECEIVED.

7. GENERAL OBSERVATIONS. THE CARTER ADMINISTRATION'S HUMAN RIGHTS POLICY HAS BEEN WELL RECEIVED IN GUYANA. INITIALLY, THERE WAS SOME SUSPICION THAT PRESSURES

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WOULD BE APPLIED ONLY TO LEFTIST GOVERNMENTS, BUT THIS
HAS FADED. IT IS EXTREMELY IMPORTANT HERE, AND WE SUSPECT
ELSEWHERE ALSO, THAT THE US REMAIN FAIRLY CONSISTENT IN
THE APPLICATION OF HUMAN RIGHTS POLICY. APART FROM
THE MORAL RIGHTNESS OF THE EMPHASIS ON HUMAN RIGHTS,
A PRACTICAL BENEFIT IS DISCERNIBLE. THE FAVORABLE
IMAGE IT HAS GIVEN THE US IN THE POPULATION HAS MADE
IT MUCH MORE DIFFICULT FOR POLITICIANS TO GAIN POLITICAL
MILEAGE OUT OF DEMAGOGIC ATTACKS ON THE US. CONCURRENTLY,
PRESSURES HAVE BEEN GENERATED FOR THE GOG TO MAINTAIN
GOOD RELATIONS WITH THE US. ALSO THE WILLINGNESS
OF THE US TO HELP IN GUYANA'S DEVELOPMENT IN ADDITION
TO ITS OWN PRACTICAL INTEREST IN CEMENTING CLOSE US-GOG
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